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In the Supreme Court of the United States

OCTOBER TERM, 1932

No. 316

THE UNITED STATES OF AMERICA, PETITIONER

v.

DUBILIER CONDENSER CORPORATION

No. 317

THE UNITED STATES OF AMERICA, PETITIONER

v.

DUBILIER CONDENSER CORPORATION

No. 318

THE UNITED STATES OF AMERICA, PETITIONER

v.

DUBILIER CONDENSER CORPORATION

ON WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT

REPLY BRIEF FOR THE UNITED STATES

I

The respondent's brief evidences a misconception of the theory upon which the position of the Gov-

ernment is based. It is apparently the view of the respondent that the Government must show, and is attempting to show, that the minds of the parties consciously met in agreement that all patents covering inventions made by the employees should be assigned to the United States. But our argument is not directed to that end. On the contrary, we contend that the obligation to assign to the Government title to the patents in suit is one which the law imposed, because the employees were hired to make inventions and the making of the inventions was merely the performance by the employees of what they were hired to do. In such cases the employees' inventions in equity belong to the employer in the absence of any further agreement and regardless of what agents of the Government may have supposed or the employees may have thought regarding the rights of the Government.

Under our view of the case it is quite immaterial whether the parties to the employment in fact understood the obligation which the contract of employment imposed, provided they understood that the employment was in fact to make inventions. As to this there is, we think, no doubt.[1]

The result would be the same if at the time of the invention the employee's duties included inventive work, even though they formed no part of the orig-

[1] That Dunmore understood the obligation he was under appears from the letter prepared by him for the signature of his chief, quoted in part in footnote 12 on page 11 of the Government's brief.

inal employment. *Houghton* v. *United States,* 23 F. (2d) 386, 390 (App. D. C.).

There is reference in the respondent's brief to testimony of Dunmore and the witness Kolster. The latter in response to questioning by respondent's counsel stated that he had never received any instructions from anyone in authority in the Government to the effect that the Government expected or was entitled to the ownership of any inventions he might make; that he himself took out many patents of which he retained the ownership, subject to a license to the Government; that it was generally understood by members of the Radio Section that the Government was entitled to the full benefits of the use of inventions of its employees; and, finally, that he encouraged the members of the section to take out patents in their own names. (Resp. Br., pp. 24–25.) All of this testimony was objected to as incompetent because the witness was not authorized to bind the Government or to impair the obligations arising under contracts of employment with other employees (R. 148–149), and upon such objection the testimony was excluded. This ruling we submit was correct, was not under review in the court below where the judgment of the trial court was affirmed, and the testimony excluded by the trial court may not, we submit, be made the basis of determination against the Government in this case.

Even if such evidence is considered, the ruling of the Circuit Court of Appeals for the Fourth Circuit in *Houghton* v. *United States,* 23 F. (2d)

386, 391, certiorari denied, 277 U. S. 592, that "no official of the government was authorized to give away any interest" in the inventions of its employees is applicable to the case at bar.

II

The respondent questions, on page 12 of its brief, the Government's assertion that while Dunmore was engaged in his work on the Air Service relay project, "a number of possible additional applications for the relay suggested themselves, for which the supply of power by alternating current rather than by direct current appeared more desirable, and in discussions between Mr. Dunmore and his superiors it was agreed that this feature of the work should be prosecuted."

This statement in the petitioner's brief is supported by the following uncontradicted testimony of Dr. Dellinger, the Chief of the Radio Section (R. 51):

> * * * As the work developed a number of applications began to appear other than those originally contemplated, for which the supply of the power by alternating current rather than direct current would be more useful and more definite, and that in the discussions of the proper conduct of the work between the three of us concerned it was agreed that this application also should be prosecuted.

A reference to the above testimony is contained in the petitioner's brief (p. 8), and, consequently,

there seems to be no warrant for the respondent's assertion that the statement in question finds no support in the references stated in the petitioner's brief or in the record as a whole.

III

The respondent (Br. p. 32) criticizes the construction placed by the Government upon the case of *Hapgood* v. *Hewitt,* 119 U. S. 226, and appears to contend that the decision there is controlling in the instant case. In the *Hapgood* case the demurrer to the bill was sustained on the ground that the allegations were not sufficient to establish that the contract of employment required the employee to exercise his inventive faculties, and, therefore, that decision has no bearing upon the question involved in this case.

When the *Hapgood* case first came before the Circuit Court, the Circuit Judge stated, 11 Biss. 184, 186.

> Persons are not deprived of their right to their inventions while in the services of others, *unless they have been hired and paid to exercise their inventive faculties* for their employers. (Italics ours.)

The reasons given by that court for sustaining the demurrer were that—

> The defendant was not expressly required by his contract with Hapgood & Co. to exercise his inventive faculties for the benefit of the company, and *there is nothing in the bill from which it can be fairly*

inferred that he was required or expected to do so. (Italics ours.)

This Court referred to the foregoing grounds of the decision of the Circuit Court and stated (119 U. S. 226, 233) that in its opinion the views taken of the case by the Circuit Court were correct.

We submit that if *Hapgood* v. *Hewitt* is to be construed, in the manner suggested by the respondent, as requiring an express agreement on the part of the employee to assign inventions to his employer, it must be deemed to have been overruled by *Solomons* v. *United States,* 137 U. S. 342, and *Standard Parts Co.* v. *Peck,* 264 U. S. 52, in neither of which cases was the existence of such an agreement shown.

IV

The respondent (Br. p. 32) also questions the Government's interpretation of *Dalzell* v. *Dueber Watch Case Manufacturing Company,* 149 U. S. 315. In that case the employee was a mechanic whose duties did not include the making of inventions. The employer asserted that an express oral agreement was entered into between the parties subsequently to the inception of the employment, to the effect that the employee was to convey to the employer the patents on any inventions that he might make. The Court held that the existence of the supplemental agreement was not satisfactorily proved.

V

It is asserted in respondent's brief (pp. 19, 40) that the radio research of the Bureau of Standards was limited to such research as was a necessary incident to the Bureau's fundamental function, to wit, custody, maintenance, and construction of standards. Counsel for the respondent have apparently overlooked the fact that subsequently to the passage of the organic act establishing the Bureau of Standards (Act of March 3, 1901, quoted on page 40 of the appendix to the petitioner's brief), there was conferred upon the Bureau by supplemental legislation the duty of investigation and standardization of methods and instruments employed in radio communication. (See petitioner's brief, pp. 41–43.) Thus investigation of the radio art, necessarily involving invention, was one of the functions expressly conferred upon the Bureau and it is not suggested that the employment of Dunmore and Lowell to make inventions in this field was unauthorized.

Respectfully submitted.

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